



COUNCIL CHAMBERS

17555 PEAK AVENUE MORGAN HILL CALIFORNIA 95037

COUNCIL MEMBERS

Steve Tate, Mayor
Greg Sellers, Mayor Pro Tempore
Larry Carr, Council Member
Marby Lee, Council Member
Marilyn Librers, Council Member

REDEVELOPMENT AGENCY

Steve Tate, Chair
Greg Sellers, Vice-Chair
Larry Carr, Agency Member
Marby Lee, Agency Member
Marilyn Librers, Agency Member

WEDNESDAY, AUGUST 26, 2009

AGENDA

JOINT MEETING

REGULAR CITY COUNCIL AND REDEVELOPMENT AGENCY REGULAR MEETING

7:00 P.M.

CALL TO ORDER

(Mayor/Chair Tate)

ROLL CALL ATTENDANCE

(Council Services/Records Coordinator McVay)

DECLARATION OF POSTING OF AGENDA

Per Government Code 54954.2

(Council Services/Records Coordinator McVay)

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

PROCLAMATIONS AND RECOGNITIONS

Morgan Hill PONY Bronco All-Stars
Mobile Home Rent Commission
Architectural and Site Review Board

INTRODUCTIONS

CITY COUNCIL REPORTS

Council Member Librers

CITY COUNCIL COMMITTEE REPORTS

CITY MANAGER'S REPORT

CITY ATTORNEY'S REPORT

OTHER REPORTS

CITY TREASURER'S QUARTERLY REPORT

City Treasurer's Quarterly Report
City Treasurer Roorda

PUBLIC COMMENT

NOW IS THE TIME FOR COMMENTS FROM THE PUBLIC REGARDING ITEMS NOT ON THIS AGENDA.

(See notice attached to the end of this agenda.)

PUBLIC COMMENTS ON ITEMS APPEARING ON THIS AGENDA WILL BE TAKEN AT THE TIME THE ITEM IS ADDRESSED BY THE COUNCIL AND FOR THE REDEVELOPMENT AGENCY. PLEASE COMPLETE A SPEAKER CARD AND PRESENT IT TO THE CITY CLERK/AGENCY SECRETARY.

(See notice attached to the end of this agenda.)

PLEASE SUBMIT WRITTEN CORRESPONDENCE TO THE CITY CLERK/AGENCY SECRETARY. THE CITY CLERK/AGENCY SECRETARY WILL FORWARD CORRESPONDENCE TO THE CITY COUNCIL/REDEVELOPMENT AGENCY.

City Council and Redevelopment Agency Action

ADOPTION OF AGENDA

City Council Action

CONSENT CALENDAR:

ITEMS 1-11 The Consent Calendar may be acted upon with one motion, a second and the vote, by each respective Agency. The Consent Calendar items are of a routine or generally uncontested nature and may be acted upon with one motion. Pursuant to Section 5.1 of the City Council Rules of Conduct, any member of the Council or public may request to have an item pulled from the Consent Calendar to be acted upon individually.

Time Estimate

Page

Consent Calendar: 1-10 Minutes

1. **Background Information on One of the State Budget Takeaways** **1**
Recommended Action(s): Accept and file report.
2. **City Facility Lighting Retrofit Agreement** **7**
Recommended Action(s): Authorize the City Manager to execute agreements to participate in the Energy Watch Program's Energy Efficient Lighting Retrofit Program.
3. **Accept West Little Llagas Creek Trail Project** **9**

Recommended Action(s):

1. **Accept** as complete the West Little Llagas Creek Trail project in the final amount of \$519,408.
2. **Direct** the City Clerk to file the Notice of Completion with the County Recorder's Office.

4. **Acceptance of Nob Hill Reservoir Recoating Project.....15**

Recommended Action(s):

1. **Accept** as complete the Nob Hill Reservoir Recoating project in the final amount of \$583,187.
2. **Direct** the City Clerk to file the Notice of Completion with the County Recorder's Office.

5. **Approve Amended Cooperative Agreement Between the City of Morgan Hill and the State of California for the Tennant/101 Interchange Improvements Project.....19**

Recommended Action(s): Approve Resolution approving the Amended Cooperative Agreement between the City of Morgan Hill and the State of California (Caltrans) for the Tennant Avenue and State Highway Route 101 Interchange Improvements Project and authorize the City Manager to execute the amended agreement on behalf of the City.

6. **Economic Development Activities Report.....39**

Recommended Action(s): Accept report.

7. **Third Street Promenade – August Progress Report47**

Recommended Action(s): Information only.

8. **Accept Sanitary Sewer Pipe Televising Project, Fiscal Year 2008-0957**

Recommended Action(s):

1. **Accept** as complete the Sanitary Sewer Pipe Televising Project, Fiscal year 2008-09 in the final contract amount of \$33,190.
2. **Direct** the City Clerk to file the Notice of Completion with the County Recorder's Office.

9. **Kiddie Academy Loan Restructuring.....63**

Recommended Action(s):

1. **Approve** restructuring of the existing debt and enter into a new Fee Financing Agreement with Appletree Learning Center, LLC, a California limited liability company, and Rose L. Chin.
2. **Authorize** the City Manager to execute the new agreement, and related agreements, make minor modifications, and do everything necessary to implement the agreements.

10. **July 2009 Financial & Investment Reports--City.....79**

Recommended Action(s): Accept and file report.

11. **Residential Development Control System (RDCS) 2009 Quarterly Report #2.....109**

Recommended Action(s): Accept and File the RDCS Second Quarter Report for 2009.

Redevelopment Agency Action

CONSENT CALENDAR:

ITEMS 12-13

	Time Estimate	Page
	Consent Calendar: 1 - 10 Minutes	
12.	<u>July 2009 Financial and Investment Report RDA</u>.....	135
	<u>Recommended Action(s):</u> Accept and File report.	
13.	<u>Revisions to the Façade Improvement Program for Downtown Businesses Impacted by Construction</u>.....	145
	<u>Recommended Action(s):</u>	
	1. <u>Authorize</u> the Executive Director to make the recommended changes to the Façade Improvement Program.	
	2. <u>Prepare</u> and execute the required agreements to implement the program, subject to General Counsel review and approval.	
	3. <u>Approve</u> facade extensions for the identified buildings.	

City Council and Redevelopment Agency Action

CONSENT CALENDAR:

ITEMS 14-19

	Time Estimate	Page
	Consent Calendar: 1 - 10 Minutes	
14.	<u>Accept the Third Street Undergrounding Utility Project</u>.....	149
	<u>Recommended Action(s):</u>	
	1. <u>Accept</u> as complete the Third Street Undergrounding Utility Project in the final amount of \$293,610.73.	
	2. <u>Direct</u> the City Clerk to file the Notice of Completion with the County Recorder's Office.	
15.	<u>Contract Amendment (Second) with Nossaman, LLP for Outside Legal Counsel</u>	155
	<u>Recommended Action(s):</u> Authorize the City Manager/Executive Director to amend the existing contract with Nossaman, LLC to an amount not to exceed \$54,000 for legal services related to the acquisition of street right-of-way for certain projects in the City's Capital Improvement Program.	
16.	<u>Change Order Guidelines for Capital Improvement Projects Requiring Council Approval</u>	169
	<u>Recommended Action(s):</u> Approve staff recommended guideline for approval of Capital Project Change Orders requiring Council approval when extraordinary circumstances occur.	
17.	<u>City Employee and Police Officer Down Payment Assistance Programs</u>	171
	<u>Recommended Action(s):</u> Adopt two Resolutions authorizing the Executive Director/City Manager to make revisions to the Police Officer and Employee Down Payment Assistance Programs per the revised recommended program parameters.	

18. Approval of the Joint Special Meeting and Regular City Council and Regular Redevelopment Agency Meeting Minutes of July 15, 2009 179
19. Approval of the Joint Special Meeting and Regular City Council and Regular Redevelopment Agency Meeting Minutes of July 22, 2009 193

City Council Action

PUBLIC HEARINGS:

ITEMS 20-24

	Time Estimate		Page
20.	10 Minutes	<u>Skateboard/BMX Park Fee Resolution and Operations Update</u> Public Hearing Opened. Please Limit Your Remarks to 3 Minutes. Public Hearing Closed. Council Discussion. Action Motion to Accept the Skateboard/BMX Park Update. Action Motion to Adopt a resolution establishing fees for the Skateboard/BMX Park.	211
21.	10 Minutes	<u>Regional Stormwater Management Plan</u> Public Hearing Opened. Please Limit Your Remarks to 3 Minutes. Public Hearing Closed. Council Discussion. Action Motion to Direct staff to submit Plan.	217
<u>Supplemental Document Stormwater Management Plan</u>			
22.	5 Minutes	<u>Development Agreement Amendment DAA: 05-08E: Church-Old Orchard (Alcini)</u> Public Hearing Opened. Please Limit Your Remarks to 3 Minutes. Public Hearing Closed. Council Discussion. Action Motion to Continue to the September 16, 2009 City Council Agenda	221
23.	5 Minutes	<u>Development Agreement Amendment, DAA-05-06D: Ginger – Custom One</u> Public Hearing Opened. Please Limit Your Remarks to 3 Minutes. Public Hearing Closed. Council Discussion. Action Motion to Waive the First and Second Reading of Ordinance. Action Motion to Introduce Ordinance. (Roll Call Vote)	223

24.	20 Minutes	<u>High-Density Single Family General Plan Designation and Zoning District: GPA 09-02/ZA 09-05: City of Morgan Hill-Small Lot Single Family Detached</u>	237
		Public Hearing Opened. Please Limit Your Remarks to 3 Minutes. Public Hearing Closed. Council Discussion. <u>Action</u> Motion to Adopt Resolution amending the Land Use Element text. <u>Action</u> Motion to Waive the First and Second Reading of Ordinance creating the High-Density Single-Family R-1 4,500 zoning district. <u>Action</u> Motion to Introduce Ordinance creating R-1 4,500 zoning district. <u>Action</u> Motion to Waive the First and Second Reading of Ordinance amending Chapter 17.34 Subdivision, Chapter 18.04 Definition, Chapter 18.50 Off Street Parking and Paving Standards, Chapter 18.55 Secondary Dwelling Units, and Chapter 18.57 Exceptions. <u>Action</u> Motion to Introduce Ordinance amending Chapters 18.04, 18.50, 18.55, 18.57 subdivision and zoning text. (Roll Call Vote).	

Item 24 Supplemental Document 1

Redevelopment Agency Action

PUBLIC HEARINGS:

ITEM 25

	Time Estimate		Page
25.	5 Minutes	<u>Morgan Hill Cigar Company Lease</u>	291
		Public Hearing Opened. Please Limit Your Remarks to 3 Minutes. Public Hearing Closed. Council Discussion. <u>Action</u> Motion to Authorize the Executive Director to execute the lease and related agreements between the Morgan Hill Redevelopment Agency and BWC Enterprises, Inc. dba Morgan Hill Cigar Company for the space located at 17430 Monterey Road.	

City Council Action

OTHER BUSINESS:

ITEMS 26-29

	Time Estimate		Page
26.	30 Minutes	<u>Budget Update and Options</u>	315
		<u>Recommended Action(s):</u> Reaffirm Sustainable Budget Principles; assess severity of the budgetary imbalance; consider various options for balancing the budget; and provide policy direction to staff.	

Item 26 Supplemental Document 1

27.	10 Minutes	<u>Chamber of Commerce Terms Sheet – Community & Cultural Center Lease</u>	345
		<u>Recommended Action(s):</u>	

1. **Direct** staff to develop a lease document for the Morgan Hill Chamber of Commerce's use of the Community & Cultural Center's Poppy Jasper Room according to the agreed upon terms.
2. **Authorize** the City Manager to execute all lease documents.

Item 27 Supplemental Document 1

- | | | |
|-----|-----------|--|
| 28. | 5 Minutes | <u>Water Conservation Progress Report</u>351
<u>Recommended Action(s): Accept</u> Report |
| 29. | 5 Minutes | <u>Bay Area Climate Change Compact</u>355
<u>Recommended Action(s): Adopt</u> Resolution engaging City in Bay Area Climate Collaborative and authorizing the City Manager to execute the Charter on behalf of the City. |

City Council and Redevelopment Agency Action

OTHER BUSINESS:

- | | Time Estimate | Page |
|-----|---------------|---|
| 30. | 5 Minutes | <u>Review of City Council/Redevelopment Agency Meeting Schedule</u>367
<u>Recommended Actions(s): Review and Adjust</u> the City Council/Redevelopment Agency meeting schedule from September through December, as deemed appropriate. |

FUTURE COUNCIL AGENCY-INITIATED AGENDA ITEMS:

Note: in accordance with Government Code Section 54954.2(a), there shall be no discussion, debate and/or action taken on any request other than providing direction to staff to place the matter of business on a future agenda.

ADJOURN TO CLOSED SESSION

City Council Action

CLOSED SESSION:

OPPORTUNITY FOR PUBLIC COMMENT

1. CONFERENCE WITH LABOR NEGOTIATOR:

- | | | |
|----|------------------------|--|
| a. | Authority: | Government Code Section 54957.6 |
| | City Negotiators: | City Manager; City Attorney |
| | Employee Organization: | Morgan Hill Police Officers Association
Employees Covered under Management Resolution #6250
AFSCME Local 101
Morgan Hill Community Service Officers Association |

2. **CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**

- a. Authority: Government Code Sections 54956.9(b)
Number of Potential Cases: 1

Redevelopment Agency Council Action

CLOSED SESSION:

1. **CONFERENCE WITH REAL PROPERTY NEGOTIATOR**

- a. Authority: Government Code Section 54956.8
Property: APN 764-16-029; 17605 Monterey Road, Morgan Hill
Negotiating Parties: Executive Director, Agency Counsel, BAHS Director
Property Owner: Huntington Beach Brewing Company
Under Negotiation: Price and Terms of Payment

RECONVENE

CLOSED SESSION ANNOUNCEMENT

ADJOURNMENT

NOTICE

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act that are distributed to a majority of the legislative body less than 72 hours prior to an open session, will be made available for public inspection at the Office of the City Clerk at Morgan Hill City Hall located at 17555 Peak Avenue, Morgan Hill, CA, 95037 at the same time that the public records are distributed or made available to the legislative body. (Pursuant to Government Code 54957.5)

PUBLIC COMMENTS ON ITEMS NOT APPEARING ON AGENDA

Following the opening of Council/Agency business, the public may present comments on items ***NOT*** appearing on the agenda that are within the Council's/Agency's jurisdiction. Should your comments require Council/Agency action, your request will be placed on the next appropriate agenda. No Council/Agency discussion or action may be taken until your item appears on a future agenda. You may contact the City Clerk/Agency Secretary for specific time and dates. This procedure is in compliance with the California Public Meeting Law (Brown Act) G.C. 54950.5. Please limit your presentation to three (3) minutes.

PUBLIC COMMENTS ON ITEMS APPEARING ON AGENDA

The Morgan Hill City Council/Redevelopment Agency welcomes comments from all individuals on any agenda item being considered by the City Council/Redevelopment Agency. Please complete a Speaker Card and present it to the City Clerk/Agency Secretary. This will assist the Council/Agency Members in hearing your comments at the appropriate time. Speaker cards are available on the table in the foyer of the Council Chambers. In accordance with Government Code 54953.3 it is not a requirement to fill out a speaker card in order to speak to the Council/Agency. However, it is very helpful to the Council/Agency if speaker cards are submitted. As your name is called by the Mayor/Chairman, please walk to the podium and speak directly into the microphone. Clearly state your name and

address and then proceed to comment on the agenda item. In the interest of brevity and timeliness and to ensure the participation of all those desiring an opportunity to speak, comments presented to the City Council/Agency Commission are limited to three minutes. We appreciate your cooperation.

NOTICE

AMERICANS WITH DISABILITIES ACT (ADA)

The City of Morgan Hill complies with the Americans with Disability Act (ADA) and will provide reasonable accommodation to individuals with disabilities to ensure equal access to all facilities, programs and services offered by the City. If you need special assistance to access the meeting room or to otherwise participate at this meeting, including auxiliary aids or services, please contact the Office of the City Clerk/Agency Secretary at City Hall, 17555 Peak Avenue or call 779-7259 or (Hearing Impaired only - TDD 776-7381) to request accommodation. Please make your request at least 48 hours prior to the meeting to enable staff to implement reasonable arrangements to assure accessibility to the meeting.

If assistance is needed regarding any item appearing on the City Council/Agency Commission agenda, please contact the Office of the City Clerk/Agency Secretary at City Hall, 17555 Peak Avenue or call 779-7259 or (Hearing Impaired only - TDD 776-7381) to request accommodation.

NOTICE

Notice is given, pursuant to Government Code Section 65009, that any challenge of Public Hearing Agenda items in court, may be limited to raising only those issues raised by you or on your behalf at the Public Hearing described in this notice, or in written correspondence delivered to the City Council/Agency Commission at, or prior to the Public Hearing on these matters.

NOTICE

The time within which judicial review must be sought of the action by the City Council/Agency Commission which acted upon any matter appearing on this agenda is governed by the provisions of Section 1094.6 of the California Code of Civil Procedure.